

PAGE 002 TOT: 170711Z SEP 86 63

LAST WEEK'S KIDNAPINGS OF TWO US CITIZENS IN WEST BEIRUT AND THE INTENSIFIED HOSTILTTIES BY SHIA EXTREMISTS AGAINST UNIFIL AND THE ISRAELI-BACKED ARMY OF SOUTH LEBANON ARE SHIFTING ATTENTION FROM THE PEACE PROCESS TO THE DETERIORATING SECURITY SITUATION.

blas

63

IRRECONCILABLE DIFFERENCES AMONG LEBANON'S RIVAL FACTIONS WILL CONTINUE TO CRIPPLE EFFORTS TOWARDS PEACE. MODERATE SHIA LEADER NABIH BARRI WILL REMAIN RELUCTANT TO ENDORSE THE DIALOGUE AS LONG AS THE CHALLENGES TO HIS POSITION IMPLICIT IN THE CONFLICT IN THE SOUTH PERSIST. DRUZE AND CHRISTIAN MILITIA LEADERS, WHO FACE INCREASED THREATS FROM THE RADICALIZED SHIA MOVEMENT AND FROM THE SYRIAN CHALLENGE TO THEIR MINISTATES, ARE MORE WILLING TO SEEK ACCOMMODATION—PARTICULARLY AS PROSPECTS FOR A COMPREHENSIVE SOLUTION TO THE LEBANESE CRISIS FADE.

2. EC-SOUTH AFRICA: LIMITED SANCTIONS IMPOSED

EC FOREIGN MINISTERS MEETING IN BRUSSELS DECIDED YESTERDAY TO IMPOSE LIMITED ECONOMIC SANCTIONS ON SOUTH AFRICA. THE NEW MEASURES INCLUDE A BAN ON IMPORTS OF IRON, STEEL, AND GOLD COINS, AS WELL AS ON NEW EC INVESTMENTS IN SOUTH AFRICA. COAL, WHICH WAS ON THE LIST OF ITEMS TENTATIVELY AGREED TO IN JUNE, WAS NOT INCLUDED BECAUSE OF PORTUGUESE AND, ESPECIALLY, WEST GERMAN OBJECTIONS. THE BAN ON IRON AND STEEL IMPORTS WILL TAKE EFFECT ON 27 SEPTEMBER, BUT THE OTHER SANCTIONS WILL BE DELAYED UNTIL MEANS OF ENFORCEMENT ARE WORKED OUT.

63

\$780 MILLION, ALMOST TWICE THE COMBINED VALUE OF IMPORTED SOUTH AFRICAN IRON, STEEL, AND GOLD COIN. THE EXCLUSION OF COAL ENSURES THAT THE EC SANCTIONS WILL HAVE LITTLE EFFECT ON THE SOUTH AFRICAN ECONOMY. STRONG ADVOCATES OF SANCTIONS, SUCH AS THE NETHERLANDS AND DENMARK, WERE FORCED TO COMPROMISE IN ORDER TO GAIN A CONSENSUS. WHILE THE QUESTION OF SANCTIONS IS PROBABLY SETTLED TEMPORARILY, THE PROBLEM OF SOUTH AFRICA IS LIKELY TO REMAIN HIGH ON THE EC AGENDA.

3. IN BRIEF

AMERICAS

MIDDLE EAST

b1 b3

SECRET

L OUTGOING MESSAGE

G

0

N

G

M

ESSA

G

TGOING MESSAGE

PAGE 003 TOT: 170711Z SEP 86

EAST ASIA

--CHINESE PARLIAMENTARY DELEGATION BEGINS VISIT TO BULGARIA, HUNGARY, CZECHOSLOVAKIA THIS WEEK . . . TRIPS TO POLAND, EAST . GERMANY LAST YEAR PAVED WAY FOR RETURN VISITS THIS FALL BY JARUZELSKI, HONECKER . . . BEIJING SEEKS IMPROVED TIES TO EASTERN EUROPE.

SOUTH ASIA

--SOVIET NAVAL ATTACHE SHOT, KILLED IN ISLAMABAD YESTERDAY
... PRESS REPORTS PAKISTANI KILLER FRUSTRATED BY INABILITY TO EMIGRATE TO USSR . . . NO APPARENT LINK TO RECENT MURDER OF IRAQI DIPLOMAT . . . HARSH SOVIET REACTION UNLIKELY.

02400420 MESSAGE

OUT G O I N G MESSAGE

> OUTOCINO N E S S A G E